



Eight Case Studies from Aceh

GTZ Aceh Rehabilitation and
Reconstruction Programme (ARRP)

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Organically Grown Cocoa from Aceh – A Recipe for Success

The German Technical Cooperation (GTZ) supports small farmers in Aceh's former conflict zones to switch to organic cocoa cultivation

INTRODUCTION

Lush green rolling hills in the hinterland of Aceh Utara reach out all the way to the forests of the Gunung Leuser National Park. But the magnificent landscape has an ugly past – most of the villages in this area got caught in the crossfire of the 30-year conflict in Aceh province. Many farmers fell victim to brutal consequences of the conflict. One who suffered was Teuku Muhammad Nasir, from the Pucok Rintis village. In 2000, he was lucky to survive an attack by armed men that left his house burned down to its foundations. He took his family and fled the 315 kilometers to the provincial capital, Banda Aceh, leaving his cocoa plantation behind.

Concerned about his farm, he came back to his home village in 2002, bringing his wife and children with him. The rest of his family stayed in Banda Aceh – and died in the tsunami of December 26, 2004, that had washed away large parts of the coastal city. The family's few possessions were also gone. Many of Aceh Utara's farmers have a similar story to tell – the region's people fled to many parts of the province. When the Indonesian army finally signed a peace deal with the independence movement in Aceh (GAM) in August 2005, there was new hope: International aid could now get through to the formerly no-go area. Since small



Due to the quality of their fruits, the Cooperative Organic Cocoa Of Aceh (CoCoA) received Organic and Fair Trade certification in 2008. The cooperative's establishment in 2006 was supported by the GTZ-assisted ERMF-project. © GTZ supported ERMF project, Gunnar Stange, 2007

farmers in those areas make a large contribution to the overall Acehese economy, their support was a key factor in the reconstruction of this battered province.

The aim was to help smallholders rebuild a sustainable livelihood, so it seemed a good idea to introduce them to organic farming and the export-oriented Fair Trade marketing system. The conditions were promising, as no chemical fertilizers or pesticides had been used on the farms for many years. New cultivation and processing methods would not only increase production, they would raise the quality as well. Cocoa was selected as a particularly suitable crop for this kind of project for two reasons. Firstly, there were already many hectares planted with cocoa, and although the plantations had been neglected, the trees were at their most productive age. Secondly, demand for organically grown cocoa on the world market was far greater than supply. That made an expectation of wide profit margins seem reasonable. Under these circumstances, the German Technical Cooperation (GTZ) was commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ) to support the Economic Recovery and Microfinance (ERMF) and the Technical and Vocational Education and Training (TVET) projects with the introduction of organic cocoa production to the districts of Aceh Utara, Pidie, and Pidie Jaya.

DEVELOPMENT AND IMPLEMENTATION

The project was aimed at smallholders and their families who had either suffered due to the tsunami or who had left their plantations because of the conflict and had spent a number of years in refugee camps or living with relatives outside their districts. The first question was, of course, whether these people would be prepared to switch to organic farming and Fair Trade methods. On top of the favorable market for organically grown cocoa, there were a number of other arguments in favor of doing so. Conditions in Aceh are ideal for growing high-quality cocoa. And although they had been badly neglected, there were many plantations with a high potential for organic production, because most of the farmers had long had no choice but to use traditional methods and had fertilized their crops with manure only.

But there were several disadvantages that GTZ project workers had to discuss intensively with farmers. To get the quality and yield of their crops up to export standard, the farmers had to change their working methods entirely. In the past they had simply left the trees to grow. They had harvested the pods when they were ripe, opened them and sold the beans either very cheaply while they were still damp, or at a slightly higher price when dried. But the real profits went to the many middlemen and exporters. And because every farmer worked his own plantation and sold his own produce, he was dependent on such buyers: During the conflict, Aceh was so isolated from the outside world, that direct marketing was not an option. Thus, the farmers now wanting to become involved in Fair Trade had to get organized, since one of the most important prerequisites for the Fair Trade certificate is the formation of a cooperative. It has to be democratically structured, and a proportion of the profits have to go locally to social projects such as schools or hospitals for the public good. No child labor is to be used.

Despite the many changes and complex procedures ahead of them, a total of 2,330 small farmers in Aceh Utara, Pidie, and Pidie Jaya took up the challenge. GTZ experts helped them organize themselves into three cooperatives. The farmers of Pucok Rintis and several other villages joined to form the Cooperative organic Cocoa of Aceh (CoCoA). Teuku Muhammad Nasir is the elected chairman of his cluster, a subgroup of the cooperative. “It’s a big responsibility – I am the link between my group and the cooperative leadership,” the 32 year old explains proudly. “I’m very happy that they have placed their trust in me, because in this position I can gain a lot of new experience.” Like other selected farmers, Nasir attended a course in the new cultivation techniques, which he then had to pass on to the farmers in his cluster. There were techniques such as how to prune the cocoa trees to improve the quality of the fruit, and the proper way to ferment the beans. This is important because Europe – the biggest market for organic cocoa – accepts only fermented beans, and places great emphasis on flavor. Along with the technical training, the farmers heading each cluster underwent intense training in the founding and organization of a cooperative. This included seminars in financial management and company law, as well as Internet courses and English lessons: International trading means being able to communicate internationally.



The young cocoa fruits are constantly examined to ensure highest quality standards of the final product. The first export of the Cooperative Organic Cocoa Of Aceh (CoCoA) to Switzerland was realized in December 2008. © GTZ supported ERMF project, Pauline Haebel, 2006

The entire training program took two years. During that time, the impoverished farmers also received material aid from the projects— from brush cutters to clear the plantations, to financial support for administration, to a cocoa processing plant to make fermentation easier. The GTZ experts also helped the cooperatives get in touch with banks, find potential customers, and prepare the necessary documents for the process of certification. The GTZ supported projects also made contact with the Swiss Institute for Marketecology (IMO), which undertook the inspections for the “Bio” label which guarantees organically grown produce, while the international Fairtrade Labeling Organization (FLO) took care of the cooperatives’ certification as Fair Trade organizations.

All the hard work paid off: More than two-thirds of the cocoa farmers in the three cooperatives have received the Bio certificate. CoCoA in Aceh Utara was the first of the cooperatives to be recognized as a Fair Trade organization in Aceh, and was able to sell its first ten tons of high-quality cocoa to a Swiss chocolate maker in December 2008. Further exports are soon to follow. “It’s a great feeling that we, the farmers, can now export our own cocoa and receive the profits for it directly. Naturally, that gives us a lot of motivation to improve,” says Nasir. The demand for organically grown cocoa outweighs the cooperative’s current output several times over. Right now, there are enough enquiries from Europe to ensure sales for several years.

Meanwhile, the other two GTZ-backed cooperatives in Pidie and Pidie Jaya have successfully introduced the organic cocoa model from Aceh Utara to small farmers in their districts and now wait for their Fair Trade certification. In addition, another international organization has contacted the GTZ experts with the aim of multiplying the model in yet another area.

ANALYSIS

The difficult transformation from conventional farming to organic cultivation requires strong determination from the farmers. Their key motivation was surely the prospect of better income, and the opportunity to improve their social and economic lot. Yet the cocoa farmers knew that they were relying on outside support because they themselves did not have either the money or the knowledge to bring about such a transition. But working with an outside organization requires the creation of deep trust among themselves, as well as between them and the GTZ experts supporting the project. “It was very important that we were honest with each other from the word go, and always kept our promises,” says GTZ senior advisor Ashabul Anhar. “Most importantly, we could not try to force our decisions on the farmers. They had to choose their own way. We were just there to offer advice.” This strategy included the election of the cooperative chairmen and cluster heads from among the farmers’ own ranks. “Of course it took longer to train farmers in company management than it would have to employ specialists. But this was the only way to ensure that the cooperative chairmen had the trust of all their members,” Anhar explains.

Now the three GTZ-supported organic cocoa cooperatives in Aceh Utara, Pidie and Pidie Jaya are planning to amalgamate into a regional network, so as to streamline communica-

tion with export customers, for instance. Such a union of farmers belonging to very different ethnic groups could even help secure peace in the province. The Aceh provincial government also supports the project, and is interested in holding a “Bio and Fair Trade Forum”. The registration of an internationally recognized trademark for organic cocoa from Aceh could open up a lucrative niche in the world market for the impoverished province, where two thirds of the populations are farmers.

The worldwide financial crisis has also hit the cocoa market. But by exporting organic cocoa under the Fair Trade system, the farmers still earn far more than they could have in the conventional way via middlemen. The “Bio” label guarantees an export price that is always around 50 Euro cents per kilogram higher than the world market price. And for being part of the Fair Trade system, they also get about 120 euros per ton of exported beans – money the cooperatives are obliged to spend on upgrading social infrastructure. This in turn significantly improves the quality of life in the villages. Along with better health care and education for their children, the cocoa farmers can build assembly halls, repair roads, and even make public gardens. “Maybe I will soon even be able to fulfill my greatest wish,” says Teuku Muhammad Nasir, “that is to rebuild my family home that was burned down. I want my children to grow up in it in peace.”

A New Perspective on Public Service Delivery

ID-card and civil registration services at the doorstep: The German Technical Cooperation (GTZ) promotes the successful introduction of mobile service centres in 2.688 villages of Aceh

INTRODUCTION

The brightly painted blue and white minibus of the mobile registration unit has been parked for at least an hour in Dante Riek, a village-like district on the edge of the Indonesian provincial capital Banda Aceh. Seventy-year-old Ibu Muzainah is waiting patiently in the queue to submit her application for new identity documents to the team in the bus. She had an identity card once before, she says, some 20 years ago. But she lost that one, and since then has never applied for new papers. "Why should I have done?" she asks. "No one ever asked me for my ID. If it hadn't been for the tsunami I still wouldn't have one even today."

When the disastrous floods of December 2004 devastated the coastal areas of the Indonesian province of Nanggroe Aceh Darussalam, more than 170,000 people lost their lives and as many as half a million became homeless. Ibu Muzainah's village was spared because it lies a little further inland. Nevertheless, the catastrophe robbed her of her son and daughter-in-law. Ever since, she has looked after her two teenage grandchildren who became orphans. "I can only get support from the authorities to help raise my grandchildren if I have valid birth certificates and identity documents," says grandmother Muzainah.



Billboard in Banda Aceh promoting mobile registration “Services at your doorstep – convenient and free of charge”

Others who live near the coast have similar stories to tell. Their ID cards or their birth certificates were swept away by the floods along with the rest of their possessions. However, they must have these documents before they can make successful claims for compensation, land titles, social benefits or legal protection. There was a rush to the registration offices and the authorities were soon overwhelmed by the task of issuing replacement documents to the many thousands of tsunami victims. After all, the local administration in Aceh had also been badly affected. Office buildings had been demolished, archives destroyed; and many of the relevant staff had died. Even today, surrounded by rebuilt urban areas, the ruins of mosques, schools, warehouses and commercial buildings still testify to the way the violent tidal wave hit all aspects of public life.

DEVELOPMENT AND IMPLEMENTATION

Due to the huge need for identity cards and other civil documentation, the Indonesian Ministry of Home Affairs pressed for the rapid resumption of public services at the population administration agencies in Aceh. German Technical Cooperation (GTZ) provided help, commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ). As early as 2003, GTZ began supporting the Indonesian government in its

reform of the national population administration system. The main challenge was to allow easy and citizen-friendly access to public services. Working with the local authorities of Aceh, the objective was to undertake joint planning in the six worst hit districts on the east and west coasts.

“Unlike our work in Jakarta, in Aceh we needed to provide help on the ground, quickly, starting with identity cards for the tsunami refugees,” says Rudy Bagindo, deputy team leader of the population administration project PAS NAD. Mobile service units were set up so that internally displaced persons did not need to make time-consuming visits to the authorities. In the form of buses equipped with laptops, digital cameras and application forms, these mini registration offices on wheels provide their customers with an all-round service, ranging from help with the application process and taking passport photos, to issuing the completed identity cards. As Rudy says, “They are fast and convenient, and come right to the doorstep,” – exactly as promised on the giant advertising billboards that are used throughout the city centre of Banda Aceh to promote population registration.

However, different conditions prevail in the registration offices of the six district administrations involved in the development project. In Janto, the district capital of Aceh Besar, the administration staff fights a constant battle against overcrowding. Squeezed in between old wooden tables they work in a small, dark room, which is anything but user-friendly. This is hardly in the spirit of the project as it was planned: in the longer term the intention is not only to improve population data management but also to make the physical infrastructure both more transparent and easier and nicer to use. In Calang on the west coast the population administration agency was completely destroyed by the tsunami, along with the entire town. Therefore, GTZ supported the construction of a new registration office using exemplary architecture; it is transparent, light and open on all sides and has plenty of space for the public. This office is intended to serve as a model for constructing registration offices throughout Indonesia.



Waiting room and service area inside the new population administration office in Calang, Aceh Jaya

During the architectural planning in Calang, it was important to keep the service area for the public separate from the back office where the staffs work. The networking of the computers ensures that the registration officers can easily access data from all the different sections. “I got my new ID card from a mobile office in my village six months ago,” says Pak Ahmad-syah. “Today, here in

Calang, I've just applied for a replacement for my lost birth certificate. It was quick. All the information was in the computer. I didn't need to bring a lot of extra documents, like you had to before." And why is the 46-year-old applying for a new certificate? "I need a commercial licence to rebuild my small fishing business," he answers. For this, I need proof of identity. And apart from that," he smiles, "for a long time I have wanted to come and see the new building and the photo exhibition in the waiting room that everyone is talking about."

Meanwhile, in Janto, there are different problems. They are having difficulties adopting the new statistical software, which is essential for the whole modern system of managing the population information in Calang. Power cuts, overheated computers and lost data are the order of the day. Despite this, the office is under pressure to meet a deadline. "By June 2009 at the latest, we'll be expected to be able to issue all documents, from identity cards and certificates of registration, to birth, marriage or death certificates," says Pak Muhammad, an administrative employee. After that, for statistical and planning purposes, the registration office in Janto should also be in a position to access and process records of all significant events in the lives of the district's populace, such as births, marriages, divorces and deaths. That, at least, is the plan.

The project staffs are concerned not only about the reform of the administration but also about the civil rights aspects of civil registration. "We want to sensitise the citizens of Aceh, especially the women, to their rights as they relate to civil registration," says Cut Sri Rozanna. The 32-year-old Acehnese is in charge of facilitating cooperation with civil society stakeholders. "If citizens don't know about these rights, and thus fail to see the reasons for registration, in the long run people won't approach the offices." The rights are based on 10 fundamental international conventions that have been ratified by the Republic of Indonesia. The tidal wave of 2004 brought to light a problem which had already been rife for decades, namely that the people of Aceh had no "state identity". In Aceh, events such as births, marriages, divorces or deaths were not officially registered – or rarely, at best. This was a result of the almost 30-year-long political conflict and is a problem, especially for women. Should they decide to divorce, if they have no marriage certificate they have no rights to custody of their children or to maintenance payments. Without a certificate of divorce, the woman is unable to remarry. If a woman's husband dies, she cannot make a claim to an inheritance.

"We had to start by running comprehensive information campaigns about the benefits of certificates," says Rozanna. "And we needed partners from civil society to do this," adding that she looked for and found the members of her Indonesian-German project team among the local non-governmental organisations. After some intensive lobbying, six of these organisations joined together to form an association. The objective of the association, as stated in its constitution, is to raise people's awareness of the legal implication of officially registering important civil events. This highly diverse union, consisting of human rights and women's rights organisations, Muslim organisations and representatives of academia, has given strong support to this advocacy among the population. The forum has also compiled information about the prerequisites and procedures involved when applying for certificates and documentation. However, the campaigns themselves were not enough.



Clockwise: Foto exhibition in Calang office, a satisfied customer with his new ID card, front view of the Calang office and people queuing up for documents in front of a mobile service unit.

In the Province of Aceh, which is proud to call itself the “Veranda of Mecca” and which, since 1999, has been the only region of Indonesia subject to sharia law, the consent of the highest religious authorities was essential for the legitimacy of the registration agency. Therefore the PAS NAD project sought cooperation with the Islamic Council of Scholars of Aceh (MPU), the most influential body of the Islamic clergy. Its decisions determine the rights and duties of the people of Aceh, and stipulate the roles of women and men in the family and the community. The legal rulings and decisions of the MPU are viewed with a high level of legitimacy by both state and society, and they influence state laws.

After a thorough examination, at the end of 2006 the MPU Aceh released an edict (fatwa) in favour of the population administration. In this, the religious authorities judged the official registration of important civil events to be a valuable contribution to the general wellbeing, and declared it to be the duty of the Islamic community. “We couldn’t have hoped for a better promotion of our cause,” says Cut Rozanna. A quotation from this fatwa now adorns the twelve minibuses of the mobile registration unit, spray-painted in bright blue onto their side doors. “The general public has responded to this just as positively as the administration. Since the decision of the MPU was made known, the number of people coming to us has continued to rise, and the commitment on the part of the administration has also grown.”

ANALYSIS

When asked at the beginning of 2009, how they would assess the results of all their efforts since 2005, Rudy Bagindo and Cut Rozanna answer, “The concept of mobile service provision, which was new to Indonesia, was the only good solution for helping people quickly and without bureaucracy.” A survey of customer satisfaction conducted in 2008 would appear to confirm this. More than 90 percent of those questioned in the villages stated that they were very satisfied with the services of the mini registration units. Around 65,7 Percent of all 1.065.000 newly issued ID-Cards in the project supported regions at the east and west coast were delivered through these mobile services.

The innovation was also viewed as having brought about a change in the district and municipal offices. “In Calang, at first, our partners wanted to build an office for the local administration along conventional lines.” The citizen-friendly approach taken by the mobile units had contributed to the development of a model which sees the service paradigm of private service providers, such as banks or insurance companies, applied to the official bureaucracy.

Rudy reports that, following a visit to Calang, representatives of the City of Solo and of Tegal District in central Java have already adopted the same model. “We have many requests from other regions of Indonesia that are interested in it.”

“The important thing,” Rozanna stresses, “is that it doesn’t stop just with the establishment of new physical service structures.” The experts working on the project have elaborated a complete modular toolkit on public administration reform that is also used to provide training for the civil servants and employees. “It is all about standardising procedures that make the administration predictable and transparent for the citizens, and also shows them that it is run according to specific rules,” adds Rudy. “Our training courses in the six districts and cities in the east and west coastal areas were received enthusiastically by the officers involved.” The GTZ employees hope that using this integrated approach, the population administration agencies can continue further increasing their professionalism and efficiency in the future.

Environment and Quick Reconstruction No Contradiction

A project supported by the German Technical Cooperation (GTZ) worked in conjunction with the Aceh Environmental Control Authority (BAPEDAL) to develop a fast-track environmental impact assessment process for building projects

INTRODUCTION

More than 100,000 homes, public buildings, and roads were destroyed in Aceh by the tsunami of December 26, 2004. Some half a million people were suddenly left homeless, and were housed in hastily-built barracks and tents or squeezed into schools and mosques. In order to help those affected build a roof over their heads as soon as possible, hundreds of Indonesian and international aid organizations made project applications to the provincial government. Was it necessary for every single building project to go through all the protracted bureaucratic test procedures – while the victims of the disaster got wet in their emergency shelters every time it rained?

No – was the decision of the Indonesian government. But nor was the work to be done completely without guidelines, even in this emergency, and particularly not the bigger building projects that could damage the environment. So the environmental control authority of Aceh province (BAPEDAL) ultimately selected 86 major projects to be examined for their environmental impact. However, to meet the urgent needs of the situation, a shortened version of the otherwise exhaustive test procedure had to be found. With this in mind,

the GTZ-supported project “Support for Local Governance for Sustainable Reconstruction” (SLGSR) – financed by the German Federal Ministry for Economic Cooperation and Development (BMZ) – developed a method that focused on key environmental factors. This enabled a quick reaction to the people’s need for reconstruction, while keeping the negative effects on the environment to a minimum.

DEVELOPMENT AND IMPLEMENTATION

In Germany, most building projects – regardless of whether they are publicly or privately financed – have to undergo an environmental impact assessment. For everyone who puts up new building influences the environment. He or she changes the place built in, and must also bring in natural materials such as sand, gravel, and wood. Therefore, the responsible authority examines every building project to see where such materials come from and how they arrive at the site. In addition, there is a review of how much land is needed for the project and whether important ecosystems such as wetlands or the habitats of rare animals will be damaged.



Sand and gravel mining – as here at the Aceh river in the district Aceh Besar in November 2006 – can alter the course of rivers and thus cause huge damage. The demand for sand and gravel in Aceh increased rapidly after the tsunami due to the needs of reconstruction projects.© GTZ supported SLGSR project

Since 1999, Indonesia has also had an international-standard legal framework for environmental impact studies (Analisa Dampak Lingkungan, or AMDAL). The Indonesian environment ministry and the relevant provincial governments are responsible for implementing it. As in almost any country, an assessment of environmental impact in Indonesia is a lengthy process. First, a team of geologists, geographers, ethnologists, hydrologists, and transport specialists examines the location and collects all the environment-relevant information. This includes the condition of the soil as well as the possible influence on nearby water sources and nature reserves. In Aceh, for instance, one aim was to prevent illegal logging in the Gunung Leuser National Park. All these factors are then analyzed by the local environmental authority and are checked once more by a higher authority. It is a complex but important procedure – only an independent review can reveal whether a project will hurt the environ-

ment. The person commissioning the building must then meet certain conditions meant to prevent or at least reduce the likely impact.

“At the end of all this, there is often a thick file that makes a telephone book look small,” says GTZ principal advisor Helmut Krist. “In the desperate situation after the tsunami, the challenge was to shorten these processes and develop the fastest possible procedure that would still cover all the important aspects.” At the same time, the guidelines had to be quickly and easily understood, so that every responsible official could apply them without having to take a lengthy course on them. It was no easy task, particularly as the construction of a road or canal is governed by different criteria from those for building a house. So the selection of key projects – reached by SLGSR workers in conjunction with the provincial environment authority – was of great importance.

In some cases, the choice was easy. For example, in the quarrying of sand and gravel – both are taken chiefly from rivers near the building site. But if there are no controls on their removal, the course of rivers can be altered. That in turn can cause flooding and landslides. If a river changes course, it can even undermine bridge supports and make the entire structure collapse – something that occurred in two cases in the district of Aceh Besar, where there had previously been no controls. So it was obvious that all projects for the quarrying of sand and gravel would have to be carefully checked. Other major project types selected were for the building of roads, ports, airports, water systems, power stations, and waste disposal sites. The SLGSR team also developed a checklist for all building projects that did not have to undergo a compulsory review by the authorities. Using this list, those commissioning a project were able to check the most important factors themselves. The goal was to make those responsible aware of possible damage to the environment, while offering possible solutions.

The Indonesian environment ministry quickly agreed to the fast-track assessment method and gave its backing to the project-run courses to train the responsible officials in its application. But most of the local institutions still preferred the lengthy process they were familiar with. Many of the authorities did not adopt the fast-track method until November 2007, when the Ministry declared it to be the legal standard across the country in cases of reconstruction. By then, about 50 of the 86 selected projects had been approved under the old rules.



Regular size of an environmental impact assessment report for one single project. (© GTZ supported SLGSR project)

In the meantime, SLGSR workers and the provincial government had already tested the new method with a pilot project: The first official use of the fast-track assessment process was for a new waste disposal site near the village of Makmur in the Aceh Besar district. Starting in 2009, the facility takes not only waste from its own district, but also from the provincial capital, Banda Aceh. “We started by looking for a location, and found the area near Makmur was the most suitable. In many other places, key ecosystems would have been damaged,” says GTZ advisor Helmut Krist. “On top of that, we found large, impervious layers of clay here – something a waste storage site needs so that toxins do not seep deeper into the ground.” When all the formalities had been dealt with, SLGSR workers and the environmental authority organized a public consultation with the nearby village community. “This tradition carries a lot of weight here in Aceh. Changes that affect everybody have to be decided together,” Krist explains. “In this case, the consultation was carried out with great feeling. Nearly 300 people attended, and a buffalo was even slaughtered in honor of the occasion.”

Using the conventional method, the impact study for the waste site would have taken more than a year. With the fast-track method, it only took half as long. Additionally, all those involved were satisfied with the result – even the villagers, who got an improved sanitation system out of the deal, and the prospect of new jobs.

ANALYSIS

It took two years from the day the decision was made to develop a fast-track environmental impact assessment for building projects to the method’s official implementation by the Indonesian environment ministry in November 2007. By then, reconstruction work in Aceh had already progressed so far that the new method was only of use for some of the projects. A campaign run jointly with the province’s environment authority and aimed at local environment offices could perhaps have been of help in getting the new method used more quickly. Other aid organizations could have adopted the fast-track method independently, without having to wait for the lengthy process of approval by the authorities. In addition, voluntary application of the fast-track method could also have helped government-run reconstruction projects to present themselves as environmentally friendly and effective at the same time.

But the implications of fast-track environmental impact assessment go far beyond the context of reconstruction in Aceh. The new checklists and test procedure developed in conjunction with the provincial environment control authority BAPEDAL can be applied in very different situations and – with some adaptation to local laws – can be used in different countries around the world.

A Quality Cure for Aceh's Health Service

The German Technical Cooperation (GTZ) promotes the introduction of a modern quality management to health centres all over the province to improve the sector, which had been devastated by the tsunami

INTRODUCTION

Your first impression upon entering Zainoel Abidin General Hospital in Banda Aceh is its remarkable cleanliness. When the tsunami of December 26th, 2004, devastated large parts of the Indonesian province of Aceh, the hospital was left full of mud and debris swept in by the wave. As the main health centre in the province, it was also overcrowded with tsunami victims who started lining up the moment the water receded. Today, more than four years later, all the hospital buildings are spotlessly clean. The health care here appears to be well organized. But it is not only the hospital's outward appearance that has altered; the system inside it has changed too. Along with new diagnostic equipment and organisational changes, the hospital adapted a modern quality management system – supported by the German Technical Cooperation (GTZ) whose projects were financed by the German Federal Ministry for Economic Cooperation and Development (BMZ).

After Aceh's health system had literally broken down, the German government helped the provincial capital's General Hospital get back up and running from the very beginning of the international relief efforts. They also have assisted a lot of other clinics and health centres in the province. The German Development Bank (KfW) for example supported the rebuilding



Waiting times at Zainoel Abidin General Hospital have been greatly reduced since a quality circle introduced changes to the registration system. © GTZ supported Health project

of damaged infrastructure and replaced medical equipment that was lost or destroyed in the tsunami. The GTZ-assisted program Health Service Management Systems – which aims to improve health and hospital management – is complementing these efforts.

To reach the target of a modern quality-oriented management, medical and administrative staff had to adopt a totally new concept of quality work while being trained in planning, monitoring, and financial management. The different divisions formed quality circles and implemented quality improvement projects. These were tested in assessments of patients' and staff satisfaction. To measure the outcome of these efforts, the hospital directors chose the model of the European Federation of Quality Management (EFQM), since it reflects the conditions of social services better than other quality management models such as the International Organisation of Standardization (ISO). This quality system includes all levels of health care provisions and involves health workers and health authorities, users of the health services as well as visitors who are not patients.

DEVELOPMENT AND IMPLEMENTATION

In a first step, the program partners developed survey methods to find out about the actual quality of the health services as perceived by external users, and by the staff themselves. The findings of the first surveys were taken as the base line for regular follow-up surveys. The first results from 2007 at Zainoel Abidin Hospital, for example, revealed a variety of complaints: long waiting times, poor hygiene, unfriendly staff, and inadequate information during the treatment process. However, overall, service was judged positively.

“Initially, some of the staff members found it hard to take the criticism,” says Hendrianto Trisnowibowo, a consultant for quality management. “Some even felt that outsiders could not judge any work process at a hospital at all. So we needed to professionalize the later assessments, so as to prove the statements using scientific methods. We reworked the questionnaires many times, modified the interviewing technique, and reduced the questions to the essential points until everything worked.” The results of each survey were then presented to the staff and analysed to see if further action was needed.

In order to overcome the problems raised by clients and staff, the program advisors sug-



A patient registers at a counter equipped with the newly introduced electronic registration system at the polyclinic of Zainoel Abidin General Hospital. © GTZ supported HEALTH project

gested the creation of quality circles (QCs). The members of the QCs were hospital employees who had at least one common responsibility – for example doctors, nurses and administrative staff who all worked at the polyclinic or whose shared task was to prevent infection. These teams discussed the results of the surveys referring to their area of responsibility from a professional point of view and looked for ways to change them. At the Zainoel Abidin Hospital for example, three QCs were set up initially: one to improve the prevention of infection, and two to overcome the long waiting times at registration and the consultation area.

Every QC then started planning projects aimed at raising the quality of service in their areas. To do this, they first had to set their targets, and then develop appropriate indicators to measure any improvement. For the team examining the reasons behind the high number of

infections for example, a lower percentage of wound infections among inpatients indicated progress. After they had identified the causes of these infections, they gave advice on prevention measures and increased checks on the people responsible. Subsequently, the number of infections dropped from eleven to five percent.

The team whose target was to reduce waiting times for outpatients introduced a couple of innovations: they set up a number system, added a new counter to the three existing ones,



A little girl receives an intravenous drip. Preventing infections after infusions was the task of one quality circle at Zainoel Abidin General Hospital. © GTZ supported HEALTH project

installed a new electronic registration system and connected it directly to the state's health insurance system. Although the results of a recent survey have not yet been analyzed, the waiting times appear to have dropped considerably. "Judging by what I see, the whole process is much faster now," reports nurse Nurleyla.

Each group met several times a month and reported regularly on their results. Their respective quality improvement projects (QIPs) lasted between four weeks and six months. They cost between one and 2,000 US dollars. To monitor the process of each project, every participating health facility selected a quality coordinator, whose task was to intervene if the process slowed down or the circumstances required a change in concept. Once a QIP was finished, the team evaluated it together with the coordinator. Some teams even asked other QCs to review and comment on their results before presenting them to the general meeting of staff. "Because the first three circles had such positive results, it was much easier to motivate staff to start new ones later on," says Hendrianto Trisnowibowo.

The Zainoel Abidin General Hospital has so far established eight quality circles, realising five projects from January to October 2008. In this period, client satisfaction increased by 22 percent compared with the initial survey. The seven district hospitals set up a total of 15 QCs and realised eleven QIPs in the same period. Their client satisfaction improved by 28 percent. Another 19 projects were initiated at 42 selected primary health care centres all over the province.

QC members had to be skillfull and have a positive attitude for the quality management to be successfully introduced into their service units. A kind of push-and-pull effect made most of the QIPs successful. The team working on cutting down waiting times, for example, received the initial push for their project from the clients' complaints in the initial survey. The staff got a huge surprise when the next assessment showed very positive responses to the new work processes, and became determined to further shorten the waiting time. So instead of slowing down as they were reaching their target, they pulled further in the direction the patients initially pushed them.

LESSONS LEARNED

Health professionals in Aceh were the group most exposed to the full dimensions of the tsunami disaster. Aceh health facilities lost up to 30 percent of their staff. Those who survived were traumatized by the loss of family members and the shocking events they had witnessed. At the same time, they had to care for badly injured tsunami victims under appalling conditions. The unfamiliar methods used by international relief organisations further upset their accustomed work processes. So the majority of health workers was not ready for too many more changes, and tended to cling to the established forms of health care. Under these circumstances, the questioning of the quality of their system and the changes required to improve it were sometimes just too much to bear. Health workers often felt their professional image was being called into question when client surveys yielded negative

results. They tended to defend their methods, saying patients were unable to judge health issues. So the hospital management needed to motivate or even compel staff to take negative feedback seriously. Without the backup of the hospital director or other authorities, it was rather difficult to establish a new quality management system inside the established service culture of an institution.

Sophisticated modern equipment, however, was always welcome. The sheer availability of more and better equipment made the request for better service quality almost irrelevant. Specialist doctors in particular often considered quality management a matter to be dealt with by less qualified staff. Some specialists also feared their private medical practice would suffer if they suddenly had to compete with well-organized public health services. Considering these difficult conditions, the overall response from the health workers, and their implementation of quality management, was satisfactory.

“Building a culture of quality management is not something you can achieve in one or even a few years. Just look at how long it took Germany to reach the standard it has now,” explains Hendrianto Trisnowibowo. “We still have to go a long way and we can’t afford to stop. But experiencing success makes it much easier to continue.” Positive feedback from outside observers is therefore very important. When current problems seem overwhelming, QC members need motivation to continue their project. The quality coordinator, the hospital director, or any other interested employee can all be motivators. Even the hospital general meetings can create motivation by recognising the efforts and positive results of QIPs. All QC members who have successfully implemented a project are highly motivated to start a new one – and thus to continue the ongoing quality improvement process.

More Rights for Aceh's Women

The province of Aceh has introduced the first Women's Rights Charter in the Islamic world – a signal that women are to have an equal say in the societal development of the Indonesian province. The German Technical Cooperation (GTZ) supported this process

INTRODUCTION

"The women of Aceh don't get a choice," was the headline in a German daily some eighteen months after the 2004 tsunami. And yet women in the province were especially hard hit by the disaster: Only about one-third of the survivors are female. As the deadly wave approached, many mothers ran towards the sea to save their children. But in their traditional garb, the sarong, they were not able to run as fast as the men. Many of the women who did survive were not at home at the time of the disaster – but lost their families. One of those was Samira (not her real name). When the 30-year old returned to the place her house had been, all that remained was the foundations. Her husband, her two children – her whole life – had disappeared into the sea. But that was not all. Her father-in-law, who survived the tsunami, intended to take not only the land away from her, but also the money she and her husband had paid into a joint savings account. He believed he had the right to do so. According to the interpretation of sharia law in Aceh, a woman could neither be the head of a family, nor could she own land. That meant a widow had no right to the remains of her home, nor did she have the right to sole custody of her children. A woman can seek to uphold her civil rights before a state-run court – but for that, she must produce legal documents. Only with a marriage certificate can a woman claim her husband's property, and only with an identification card can she get a land title. Samira's papers had all been washed away in the tsunami. To get new ones, she would have had to travel to the next town. But under Aceh's sharia



The signatories of the Charter, among others: The Governor of Aceh, Head of Parliament, Heads of local civil society organizations, the Military Commander of Aceh, Head of Police, Head of Regional Islamic Scholars Council (MPU), Head of Sharia Authority and Head of Traditional Adat Association.

laws, women were not allowed to travel far from home without a male relative. Unable to get the necessary documents, Samira had no access to a ruling by a state court.

Cases like Samira's have caused public concern. Some politicians, Islamic scholars, and human rights activists in 2005 started debating how to improve the role of the province's two million women. By the same time, the German Technical Cooperation (GTZ) was commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ) to assist the Indonesian Ministry of Home Affairs in the development of population administration in Aceh. Right from the start, special emphasis was placed on women's rights: As Samira's case shows, legal documentation is an essential prerequisite for getting access to full civil rights. "Facing the need, we decided to organize regular forums on women's rights," says Cut Sri Rozanna of the GTZ-supported project on population administration in Aceh (PAS NAD). Over several years, these forums – made up of representatives of government, religious, and civil organizations – worked out a detailed charter on the rights of women in Aceh. The document was publicly signed by all stakeholders in November 2008. The signatories committed themselves to making the charter into a constituent basis for Aceh's future legislation, policy, and agendas in Aceh.

DEVELOPMENT AND IMPLEMENTATION

The regular meetings between religious and civil society organizations facilitated by the PAS NAD project began in June 2005. These soon gave rise to the *Population Administration Forum Aceh*, which set clearly-defined goals and became a legally registered organization. The initial goal was to convince the population of the general benefits of legal documents when it comes to exercising their civil rights. For that to happen, it was necessary to clarify the Islamic stance towards a reformed system of administration, because sharia law is subject to widely differing interpretations. Working in conjunction with the national Islamic Scholars Council (MUI) of Indonesia led to a legal opinion declaring that the government registration of births, marriages, and other vital events contributes to the good of the Islamic community, and therefore should be supported. After carefully considering the matter, the regional Islamic Scholars Council (MPU), which is highly influential in Aceh, agreed. The MPU issued an Islamic legal decision or fatwa, obliging all Muslims in Aceh to register with the authorities. At the same time the Council encouraged the government to improve its public performance.

Once this religious legitimation was in place, a more intense debate on the rights of women became possible. And there were many facets to the issue concerning everybody: Like



The ceremony on November 11, 2008, was attended by more than 800 participants from all over Aceh.

Samira, many women were not allowed to travel alone to the nearest town to obtain a new identification card. But without the document they could not even ask for state aid provided for tsunami victims. After the tsunami however, many households were headed by women alone. Given this situation, an increasing number of citizens called for a rethink of the status of women in the province. "Women in Aceh are not in a strong position these days. Although there was a time when Acehnese women were renowned for their strength," says Rusjdi Ali Muhammad. The 58-year-old is a professor at the Sharia faculty of the State Institute of Islamic Studies Ar-Raniry and a member of the MPU. "Our society needs its women. After all, they are working just as hard as the men to rebuild our province. So they must get the same rights – in every aspect of life: in the family, education, and in politics."

Soon, the small discussion groups with which the GTZ began its work within the PAS NAD project became an influential societal forum – in which politicians and legal experts, Islamic scholars and women's rights activists discussed how to ensure greater rights for Acehnese women without contravening Islamic law. In November 2006, participants set out a 20-point resolution. Their central demand was that women in Aceh be granted all civil rights as defined in the Koran. "In fact, it became clear that some of the previous interpretations of sharia law in Aceh were not in line with the Koran. However, some representatives of conservative organizations first had to be convinced of that," says Surayia Kamaruzzaman, founder and president of Aceh's oldest women's organization, Flower Aceh. "Then later, all sides had to make compromises. We kept altering the draft until we had an acceptable basis for a later charter."



Irawati, a women's rights activist from the village of Lampageu, expresses her gratitude to the Governor of Aceh, Irwandi Yusuf.

In February 2007, the forum founded a multi-stakeholder partnership (MSP), which was given the task of drawing up the Women's Rights Charter. In this, the MSP members were guided by the United Nations Convention on the Elimination of All Forms of Discrimination against Women (CEDAW). The Aceh Charter's 16 articles of the final document guarantee women in Aceh the right to legal protection and equality before the law, to their political and civic, social, economic, and cul-

tural rights. For the first time, they are given the right to be the head of their family – and consequently, to sole custody of their children. Apart from that, the Charter grants them protection from domestic violence and the right to own land. There were especially heated

debates on the issues of abortion and polygamy. The forum members ultimately agreed that women who have been raped should be allowed to terminate a resulting pregnancy within 40 days. Women in polygamous unions were guaranteed full rights – this means, for example, that they cannot be divorced arbitrarily. Polygamy itself remains legal. In a solemn ceremony on November 11, 2008, the Charter of the Rights of Women in Aceh was adopted.

The Charter is considered a pioneering step in the future development of Acehnese society. More than that, it may serve as a model for other Muslim states. It is the first charter of its kind in an Islamic region to be officially recognized by representatives of all the relevant groups. Its signatories include the governor of Aceh, the chairman of the provincial parliament, the chairman of the sharia authority, representatives of the judiciary, police, and the military, members of the regional Islamic Scholars Council, and women's organizations.

The biggest challenge now is making the contents of the charter known to the people all over the province. "It will not be as easy in the villages as it is in the city. Many women know absolutely nothing about their rights," says Rosmarwardani, deputy chairwoman of the sharia court in the district capital Jantho. Flower Aceh and other organizations represented in the MSP have held initial workshops in the 23 districts of the province, aimed at paving the way to a fundamental awareness of the – now officially recognized – rights of women. The next step foresees the application of the charter as the basis for all future decisions concerning women. "It would be ideal if the most important points in the charter were adopted into our laws," says Professor Rusjdi Ali Muhammad. "But there is a lot of work to be done before that happens – media reports, public forums, workshops in every village. It would be naive to imagine that we already reached our goal when the charter was adopted. We are only just getting started!"

ANALYSIS

When the project began, many of those taking part had strong reservations. Conservative Islamic groups in particular felt that a new system of administration combining population and civil registration threatened to westernize their traditional society – and that this process would be reinforced by strengthening women's rights. Therefore, the first step was to convince doubters that women in Aceh do in fact suffer discrimination, and that this is something that harms all of the society. The declaration by the MPU that the charter had been written solely by Acehnese according to Acehnese law – and in no way contradicted the Koran – was one of the most important prerequisites for the project's success.

Another key factor was the restraint maintained by the international GTZ-team. They facilitated the overall process by organizing events and making their specialist knowledge available to participants. But the material contained in the charter was formulated by Acehnese representatives alone. The final draft reflects the draftees' broad spectrum of opinion. It advocates moderate Islamic values, demonstrating that women's rights are certainly com-

patible with Islam. As the first officially recognized charter of women's rights in an Islamic region, it may serve not only as a model for other parts of the world, it can also be held up as an example of a peaceful and just Islam that follows the principles of equality and tolerance – qualities upheld in the very first words in the Aceh charter of women's rights.

During the discussions, some groups kept calling for the result of the effort to be given legal status – to become law. Yet the broad-based consensus reached, and the public recognition of the charter by the Islamic Scholars Council, the provincial government, and the Aceh parliament, as well as all the other institutions and organizations – gives the document as well a very fundamental, constituent significance. The experience of the past shows that the deeply traditional people of Aceh often feel a greater obligation to follow a religious or moral recommendation than a piece of legislation, which is repeatedly being adapted and amended. “The Acehnese believe that when they make a promise before God, they will also be punished by God – and not by any worldly power – if they do not keep that promise,” explains GTZ advisor Cut Sri Rozanna, herself from Aceh.

Together We are Strong

Successful Community Action Planning in Aceh: Using the model of traditional village meetings, a team of experts organized the reconstruction of entire villages, in cooperation with the inhabitants, supported by the German Technical Cooperation (GTZ)

INTRODUCTION

“This is how our village will look!” says Baharuddin, village leader of Lamtutui, on the west coast of the Indonesian province of Aceh. In front of him is a simple wooden model showing a new Lamtutui. The old one no longer exists. The tsunami that struck on December 26, 2004, did not leave a single house in this fishing village intact. About a thousand of the 1,300 inhabitants died. Baharuddin lost his wife and two children, and himself spent a month in a refugee camp. But then he returned to rebuild his village. He, and the other survivors in his village, got the necessary help for this difficult task from the team of experts at Community Action Planning (CAP) – part of the development project Support for Local Governance and Sustainable Reconstruction (SLGSR), supported by the German Federal Ministry for Economic Cooperation and Development (BMZ) through its implementing agency German Technical Cooperation, the GTZ.

Community Action Planning is a participative working method, which organizes cooperation within a community. The SLGSR team’s goal was to actively engage the inhabitants of approximately 40 ruined villages in the reconstruction of their homes. Indonesia has a long tradition of the village community deciding jointly on matters that affect everyone, and of jointly carrying out that decision. In this way, each person can air his or her ideas – and fears as well. This process, in Aceh also called “musyawarah”, often takes several days, but



Inhabitants of Pasi Lhok village in Aceh Besar discuss the reconstruction of their homes as demonstrated by a wooden model in November 2006. Today their village is rebuilt according to the worked-out plans. (c) Volker Kess, 2006.

it does ensure that everyone is behind the decision. The CAP team adapted its own working method to this process. The experts make their knowledge available so as to help the villagers to help themselves – although the villagers ultimately decide their own future.

This was the case in Lamtutui. The entire community spent two days sitting together and deliberating on the reconstruction of the village. A key part of the discussion focused on an escape route on the hill behind the village, in case there is ever another tsunami. But the villagers also discussed the position of the buildings and the route to be taken by the new main street. Should it be further from the sea? This and many other questions ultimately led to a model that everyone was happy with.

DEVELOPMENT AND IMPLEMENTATION

The idea for the CAP team arose in April 2005, when the GTZ, in conjunction with the German Development Bank (KfW), was looking for a way to get tsunami victims in Aceh more involved in the reconstruction of their villages. The first challenge was to find a team that could offer technical advice to the selected communities, while also being able to give professional assistance in the social process of reaching a decision. Eventually, twelve local experts were chosen, each of whom had an important qualification that would be useful in a

sensible village planning process: They included architects, geologists, land-use planners, economists, and sociologists.

The team first spoke with the village leader and the local imam, to introduce themselves and to collect all the necessary information: How many people survived, how many buildings were destroyed, where are the sources of fresh water? Subsequently, the site was surveyed and all the inhabitants informed of the results. Using a three-dimensional model, there was a collective brainstorming session exploring the various possible ways of reconstructing the village. The model houses were placed first here, then there. As soon as the villagers had reached a decision, the CAP team put together a plan for the reconstruction. This plan detailed the arrangement of the plots of land and the buildings, as well as their owners. It also held information on water supplies and possible escape routes in case of a natural disaster. Then the village leader was given the completed plan, which he could then pass on to the organization that was later to take on the reconstruction work.

The village communities were often initially skeptical towards the CAP experts. When the team first came to Lamtutui, for instance, a number of aid organizations were already present. These organizations had made all sorts of promises without intensively talking to the community about its needs. The villagers were suspicious, wondering what these strangers were planning to do after asking all their questions. But that attitude changed very quickly once the CAP team called on them to take an active role. With the help of the experts, they

were able to survey their village, and decide who would be allowed to build where. "The crowd of people participating didn't even fit inside the temporary meeting room," says land-use planner Zamharira, of the CAP team. "So we divided them up into working groups. The men talked about where to put the roads, the women about the structure of the houses, and even the children drew what they wanted on paper."



CIPTA AKSI PARTISIPATIF

The logo of the newly founded NGO, Yayasan Cipta Aksi Partisipatif (Foundation for the Creation of Participative Action). Further information on the CAP team's methods at: www.cap-int.net

It quickly became clear that everyone stood to benefit from this cooperative approach. The villagers were able to incorporate their ideas. The village leader was able to make a decision that everyone supported. And the organization that was to rebuild the village was able to base its work on ready-made plans that corresponded with the wishes of the inhabitants.

As early late 2005, the team was getting inquiries from other projects interested in the CAP method. The team began working for other organizations more and more frequently. They included the German Red Cross and the German Caritas. Due to the increasing demand, the GTZ-supported SLGSR project finally decided to separate the

CAP team entirely and to turn it into an NGO in its own right – which can offer its services to anyone. The Yayasan Cipta Aksi Partisipatif (Foundation for the Creation of Participative Action) has been an independent Indonesian aid organization since November 13, 2006.

But it retains its close ties to the GTZ. SLGSR officials assisted in the organizing of the new NGO in areas such as training in accounting, budgeting, and management structure. In addition, CAP foundation members had to learn how to draft a project proposal and how to take part in a public call for tenders, so as to be competitive in the market. In the course of 2008, the new organization won its first public call for tenders. The team was commissioned by the United Nations Development Program to work in cooperation with locals to plan an effective waste disposal system in the Aceh districts of Bireuen and Pidie. And since January 2009, CAP experts have been working on behalf of the German Red Cross to ensure that reconstructed villages are able to maintain their new fresh water and sanitation systems.

ANALYSIS

“We were surprised ourselves at just how well our method was received,” says Zamharira, who was a part of the CAP team from the very start. One key reason for its success was surely the fact that the Indonesian experts oriented their approach along the lines of traditional village meetings, just as they have been held in Indonesia for hundreds of years. Of course, the extraordinary circumstances also helped with acceptance of the CAP team. After the tsunami, hundreds of international aid organizations had come to Aceh, but they lacked familiarity with the culture. They depended on the knowledge of local experts so as to truly be able to agree with the affected villagers on the reconstruction process. By September 2008, the GTZ-supported project team had worked together with a total of about 4,500 people.

As reconstruction in Aceh is largely finished, the CAP foundation is now focusing on the organization and communication of collective methods of operation – including planning processes in a government office, or simply determining who is responsible for the maintenance of a village water pipe. The team has also compiled topographical analyses in which land is not just surveyed, but also categorized according to its characteristics. These analyses are particularly important when it comes to major projects like a waste disposal site or an airport. In the long term, the CAP foundation would like to be involved in projects in other parts of Indonesia as well.

For the GTZ, the CAP method has certainly become an indispensable instrument. So that other organizations can benefit from this fund of experience and can build their own teams, the CAP experts have summarized the experience they gathered in Aceh in a handbook. Baharuddin, the village leader in Lamtutui, recorded his experience in a different way – in a poem thanking the CAP team for giving his village a future.

Learning for Life

A Code of Conduct to improve the quality of education in vocational schools in Aceh has been successfully introduced supported by the German Technical Cooperation (GTZ)

INTRODUCTION

When the tsunami of 26 December 2004 swept over the coast of the Indonesian province of Aceh, around 116,000 houses and buildings were ruined or simply washed away. Among them were more than 2,000 schools, and many other public institutions. All public life came to halt. To rebuild the province, however, simple reconstruction of the buildings was not enough. The regeneration of badly affected communities was just as important. Education for the surviving young generation became an essential factor.

The German government represented by the German Federal Ministry for Economic Cooperation and Development (BMZ) therefore decided to support – among many other projects – the rebuilding of six vocational secondary schools (SMKs) in Aceh and two on the neighboring island of Nias, which belongs to the province of North Sumatra. All schools are now in their final stage of reconstruction. The ongoing program is implemented by German Technical Cooperation (GTZ) and the German KfW Bank. The schools also received modern equipment and learning material to improve the quality of education. Among other activities the GTZ-supported program “Technical and Vocational Education and Training” (TVET) assisted with educational and technical training for around 500 school principals, teachers and administrative staff.

During workshops and training, the question arose of how to maintain the high standard



Students of Business Trade learn together at the SMK Negeri 1 in Banda Aceh: Thanks to the new Code of Conduct, girls now also study technical subjects, while boys take courses in home economics. © GTZ supported TVET project

of the specialized education and technical equipment. “People needed to become aware of this unique chance and not let it go down again,” says principal advisor Heinz Dieter Harbers. Also, representatives of the provincial education department, school principals, parents, and community leaders felt that clear regulations were needed to improve the interaction between administrators, teachers, and students – both within the schools and with the outside community. So they approached the TVET staff and requested their assistance in drafting a Code of Conduct (CoC) for school administrators, teachers, and students of the relevant SMKs.

The subsequent discussion of new guidelines focused on greater transparency in school management, better training and salaries for teachers, and gender equality among the students. In response, the TVET consultants conducted a short survey on the availability of CoCs in Indonesia. The result showed that only one very general ethical code exists for all types of schools in the country. However, it has never been officially published and has

never been implemented. So TVET took on the task of drafting an exemplary CoC for the SMKs Negeri 1, 2, and 3 in Banda Aceh – also to be applied at the SMKs in Bireuen, Blang Pidie, and Sinabang. This GTZ program was also supported by the German Development Service (DED).

DEVELOPMENT AND IMPLEMENTATION

The first step was to work out a rough draft relating to the chosen schools. The regulatory requirements resulting from the initial survey had to be observed equally with the needs of students and teachers, local customs and the Islamic religion. To find an ethical code that would be appropriate in the special situation of Aceh – the only province in Indonesia in which Sharia law applies – the TVET experts needed to consult the provincial and district departments of education, school management, and parents' committees, teachers and students of the SMKs, as well as leaders of the surrounding communities.

The first rough draft was then compared with similar CoCs from other parts of the world. A long line of assessments, interviews and literature reviews finally lead to the second draft that was presented in a one-day workshop to 150 selected administrators, teachers, parents, and students. "I expected they would listen to our presentation and then most of the audience would go home," says Qismullah Yusuf, one of the GTZ national senior advisors. "But then everybody kept asking questions and making comments. And except for one person, everyone came back for the afternoon session with group work.

Over lunch, some had even prepared written papers with very valuable suggestions. We were very excited about the great interest we had triggered." A heated debate arose over the issues of gender awareness and equal educational opportunities for girls and boys. Before the tsunami, the SMKs in Aceh were separated into girls' schools – specializing in cooking, sewing, and other homemaking skills – and different technical schools for boys. "More than half of the workshop participants were women who commented sharply on the gender issues", Qismullah Yusuf recounts.

In the end, all of the valuable suggestions and advice were integrated into the draft. Together with the TVET consultants the participants formulated a regulatory framework and the rationale beyond the CoC. The revised draft was then distributed to the provincial and district departments of education, administrators, principals, and teachers for further comments. In order to achieve a broad-based consensus, all participants were continuously involved in the final formulation of the Code. The feedbacks were also provided by the two leading teachers' organizations – the Indonesian Teachers' Association (PGRI) and the Teachers Coordinating Body (Kobar GB). Further feedback came from the governor of Aceh and from district mayors.

The handbook that was finally approved formulates the tasks and responsibilities of school management and teachers as well as the rights and responsibilities of parents and stu-



Students of Technical Trade gather in front of SMK Negeri 2 in Banda Aceh: According to the new Code of Conduct, school management, teachers, students and parents have to work together to create a clean and healthy environment around the school campus. © GTZ supported TVET project

dents. Besides the quality of teaching, the regulations determine, for example, how teachers should dress and behave appropriately in front of a class. Or that the school management is responsible for health and sanitary standards, but not solely – the students and their parents, too, should develop habits of cleanliness and honesty, to foster environmental awareness and greater integrity on the campus.

The implementation of the CoC appears to lay an extra burden on teachers in particular. The handbook demands that they not only teach, but also act as guides, counselors and role models for the students; as administrators and as mediators between the school and parents. But all other parties involved must also work together to improve the quality of education at the SMKs. Furthermore, the code defines the professional rights of teachers – for example their right to receive payment for overtime. In Indonesia, teachers still often have

to have a second job to feed their families. One aim of this CoC is to guarantee the SMK teachers in Aceh more security. Of course, in return, teachers are obliged to improve their teaching in order to cope with the changes in technology and methodology.

School funding was a matter of particular concern. The workshops showed that many of the participants were not informed about the expenses for running a school, registration fees and maintenance costs and works of a school. The handbook also details how the proceeds coming from the schools' production units should be used – in the past and in several schools, these were an endless source of corruption.

Parallel to the drafting of the CoC, the TVET staff was also involved in the development of Education Strategic Plans (ESP) for the Province of Aceh. The aim was to find a strategy for all sectors and levels of education in the province from 2008 to 2012. The special challenge here was to combine the rationale of the ESP with the ethics of the CoC, which must safeguard customary and traditional Islamic values. Here too, gender awareness was an important point.

LESSONS LEARNED

After the tsunami had swept over coastal regions in Aceh leaving unbelievable damage, most of the help coming from inside and outside Indonesia was primarily focused on physical reconstruction and human capacity development. This was also true of the TVET project. Initially there was not enough time spared for tasks beyond the requirements of immediate reconstruction and recovery. The main aim was to get students and teachers back into their schools as quickly as possible. Thus, school development plans, subject matter, and teaching methods had to be adapted to the new economic needs. Additionally, teachers had to be trained in the use of modern equipment. Little attention was given to further quality control.

More important were that the approach used by GTZ was the bottom-up approach, and the close work among the project partners and related communities. The continuous sharing of information – both officially and informally – has led to mutual understanding as well as revealing further needs. “School is not only an institution where teachers help students realize their academic potential. It is also a place where the character of a people is formed”, writes the head of the provincial education department, Mohammad Ilyas, in his foreword to the CoC handbook. He calls for students to become not only intellectually skillful, but also to apply moral conduct in their lives and to voluntarily make sacrifices for their people.

In this spirit, the procedures, discussions, and final drafting of the CoC have contributed greatly to the appreciation of inherent cultural and religious values and differences for all parties involved. However, it also broke down stereotypes: for example, gender-specific studies. As early as 2007, quite a number of girls began studying at technical SMKs, while more boys started taking courses in home economics and even cosmetics. Although an ethical code is not equal to the law, it can stimulate a lot of awareness of social issues.

Finally, the project was able to accommodate not only local, but also regional requests. The governor of Aceh province, the mayor of the provincial capital Banda Aceh, and the head of the provincial education department all asked for permission for the CoC worked out by the TVET program to be implemented in other schools all over the province.

The latest regulations and requirements from the National Department of Education even suggest that CoCs be developed and used as a standard when applying for an approval of International Organization of Standardization (ISO) certificate for a school. This is needed, particularly when a SMK is to be upgraded to an International Standard School (SBI), which is under the direct control of the National Education Department and therefore eligible for special funding from the department.

Small Businesses With a Big Role to Play

The GTZ-supported Economic Recovery and Microfinance (ERMF) project helped eight rural credit banks in Aceh to put in place a modern system of microfinance – and boost the province’s economy

INTRODUCTION

Even before the tsunami, Ibu Rohani was famous for her spicy garlic crackers. But the wave that rolled over her home town of Lhoknga washed away her beachside house and everything she owned. One of her children died. It took her two years to rebuild her livelihood – while living in a refugee camp. With the help of microcredit, she was able to buy new equipment and re-open her bakery. Today she has five people working for her and plans to expand her business.

Small and very small enterprises like Ibu Rohani’s are often considered the engine that powers the economy – particularly in developing countries like Indonesia, where sometimes more than 90 percent of the population works in this informal sector. Whether they are cookie bakers, ironmongers, or moped mechanics – all of them contribute to economic stability in their region. This, in turn, has an influence on political stability, because people with jobs have fundamentally fewer fears for their livelihood. So political change is not a matter of immediate urgency.



Before the ERMF project developed a new Islamic microfinance software, employees in rural banks in Aceh had a lot of manual work to do. © GTZ supported ERMF project, Pauline Haebel, 2006.

Yet many small businesses fail when it comes to expanding because they cannot get loans from commercial banks, which want to see security in the form of a house or land. Indonesia does have many private moneylenders, but they demand interest of up to one hundred percent per annum – a risk that leaves many borrowers facing ruin. A better alternative is a microfinance institution (MFI). These institutions give loans as small as 30 euros – and are satisfied with security in the form of a refrigerator or television.

That said, many people in Aceh did not even have a television after the tsunami. Businesspeople had lost their businesses and were not able to repay existing debts. Banks and MFIs had also suffered – many of their workers had been killed, and files and other records had been washed away. This lack of clarity in the area of finance crippled the economy and the reconstruction effort in Aceh. Outside help was needed.

The German Technical Cooperation (GTZ) financed by the German Federal Ministry for Economic Cooperation and Development (BMZ) does work in conjunction with the Indonesian central bank, Bank Indonesia, to set up a modern microfinance system with, among others, eight rural credit banks, known by their Indonesian abbreviation as BPRs.

These are banks for Indonesians: They offer savings and loans to those running small and very small enterprises. The amounts involved range from the equivalent of 30 to 5,000 euros. The aim was to enable these banks to become active once more by helping to boost the economy in Aceh with microcredit.

DEVELOPMENT AND IMPLEMENTATION

“The eight BPRs that we worked with were on their last legs when the project began,” says GTZ project worker Matthias Range. The almost 30 years armed conflict had severely weakened Aceh’s financial institutions. The province was shut off from the outside world, and only one commercial bank and a few MFIs had managed to survive. The tsunami was the last straw. “Under normal circumstances we work with partners who can guarantee a certain stability. But after the tsunami nothing here was normal. And there were no institutions that would have been better suited to the task,” says Range.

One important prerequisite for sustainable development is that BPRs are regulated by the central bank. In addition, five of the eight rural banks in Aceh operate according to the shari’ah system (BPRS) that forbids usury. These banks therefore look to share the profits and risks instead of demanding interest when they make an investment. In a strictly Islamic region such as Aceh, this is a necessary step towards gaining the confidence of the people. Yet this social philosophy of the Islamic banks presented quite a challenge. A large part of their previous business was based on what was called “channeling” – dispensing loans from the Indonesian government to selected customer groups. Because the government did not always insist on repayment, the banks did not think along commercial lines, and the customers even seemed to believe they had a right to the money. Staff has been poorly trained. Because of the loss of repayments and the material losses incurred due to the tsunami, the BPRs’ equity had shrunk to a level at which the central bank would have had to intervene. But Bank Indonesia made an exception for the BPRs in the disaster area for two years after the tsunami.

A major task was to restore the BPRs’ liquidity. For that to happen, their most important source of returns had to be restored – the repayment of loans. However, in the wake of the tsunami, most customers could not offer any kind of material security. In response to this, the ERMF project introduced Cash-Flow-Based Lending as a new method of allocating loans. Under this method, potential borrowers are not assessed according to their existing property. Rather, they are judged according to how reliably they will be able to make their repayments in the future. The viability of the business plan plays an important role here, but so does other income the family has. For instance, Ibu Rohani had no trouble getting a loan of five million rupiah (then about 450 euros) from the BPRS Baiturrahman because, among other factors, her husband grew chili and garlic, not only earning regular cash, but also providing ingredients for his wife’s product. GTZ workers provided specialized training for bank employees in the use of this method. In addition, bank officials were schooled in all levels of credit analysis, risk assessment, and time management. There was international

training in credit technology, product development, and central bank regulation specifically for the bank managers.

Islamic banking principles, Islamic financial analysis, and Islamic accounting were all important issues. Before the tsunami, most of the BPRs administered their loans manually or using homemade computer programs. Some of them had employees whose sole duty was to carry over the numbers into a new, thick ledger every month. Even the lines were often ruled by hand. “The previous system was so out of date that it seemed pointless to try to improve it,” says Matthias Range of the GTZ. “So we agreed with the bank managers to implement a completely new system.” There was no appropriate software for Islamic micro-finance institutes – so the project adapted one, the world’s first Islamic management information system. The new program is based on the MicroBanker (MBWin) system, which was worked out some 25 years ago with the support of GTZ and the United Nations Food and Agricultural Organization (FAO) in Bangkok. The new system was implemented in close cooperation with the Asian Development Bank (ADB) and the US aid organization Mercy Corps. With small alterations, it will soon be ready for worldwide use.

Not least because of this new computer program, the BPRs in Aceh are now looking good. For instance, the BPRS Baiturrahman, founded in 1994, was just about broke after the tsunami. The deadly wave had washed away almost everything in its office, including its few computers, and three smaller offices in other locations were destroyed. The head of the loans department was killed, and 60 percent of borrowers had been badly affected by the disaster. With the help of the ERMF project, the BPRS Baiturrahman rated as “Fairly Sound” - second-best rating category based on Bank Indonesia’s evaluation - just three years later, and for 2008, it is likely to get “Sound” which is the first-best in Bank Indonesia’s rating category. Between December 2005 and September 2008, shareholders increased their equity capital by 38 percent. The German insurer Allianz played a key role in expanding this financial base even more. The number of active customers rose from 273 in December 2005 to 992 in September 2008. In the same period, the average amount still owed per customer fell from 9.15 million (some 700 euros) to 3.93 million rupiah (about 300 euros.) This reflects a stronger focus on small business – and precisely the hoped-for effect. Today, 80 percent of customers are female. In December 2005, only 30 percent were women.

ANALYSIS

Before the tsunami, the rural credit banks in Aceh regarded themselves as social institutions that helped poor people attain a modest level of prosperity. During the conflict in Aceh, this function was underlined – becoming one part of their camouflage that prevented the banks from themselves becoming the target of attacks. Most of the bank employees had no training specific to their job. Providing it was to be one of the first essential tasks, along with laying the foundations for microfinancing and loans. During that training, it was soon discovered that a further specialization in Islamic banking was also desperately needed – because most of the participants had only a vague understanding of its principles and

misinterpreted many processes. The GTZ experts had to advance very carefully in this sensitive terrain. In cooperation with MICRA, a new technical services provider set up in the region, they designed new training materials for Islamic microfinancing – the world's first such materials made to international standards. These materials are already being put to use in other countries. They also form the basis of the new course of study in microfinancing at Syiah Kuala University in Banda Aceh.

Last summer, GTZ consultants were surprised by the BPRs' new refinancing strategy – because the banks' creditworthiness had improved so much, they were able to refinance purely with commercial loans. In this comfortable position, it seemed they no longer thought it very important to attract depositors. Growth in this area was far lower than forecast. It is true that in many developing countries there is no broad palette of products for savers. Yet for depositors, savings plans offer a kind of insurance against events such as illness, natural disaster, or expensive weddings. The ERMF experts are continuing their attempts to motivate the BPRs to encourage deposits. Other weaknesses that are still being worked on are personnel management, and marketing. Many of the newly trained staff has switched to the commercial banks that have since come to Aceh because the pay is better.

In all other areas, the BPRs have developed beyond expectations in a short time. "An external consultant could hardly believe it when they came back after three years for another



Happy clients are good clients. © GTZ supported ERMF project, Volker Kess, 2006



Small entrepreneurs like this moped mechanic contribute to the economic stability of Aceh. © GTZ supported ERMF project, Pauline Haebel, 2006

organization,” says Matthias Range. “Successful development was only possible because everyone involved worked very hard. Every week our experts sat down with the employees of each bank, to look at the books, analyze problems, and discuss decisions. This continuous, intense exchange was necessary for us to be able to react in time to local or cultural problems.”